



Lincoln Police Department
Thomas K. Casady, Chief of Police
575 South 10th Street
Lincoln, Nebraska 68508

402-441-7204
fax: 402-441-8492



MAYOR CHRIS BEUTLER

lincoln.ne.gov

January 8, 2008

Mayor Beutler and City Council
City of Lincoln
City County Building
Lincoln, NE

Mayor Beutler and Members of the City Council:

An investigation has been made regarding the application of Jackpot Convenience Store, 501 West 'A' Street requesting a class D liquor license.

Dean Smith has purchased this business and has requested that he be approved as the manager of the liquor license.

Background information on the applicant is as follows:

Dean Smith was born in Aurora, Nebraska. He attended University of Nebraska graduating in 1977.

Dean Smith employment history and business stockholder information has been included for your review.

If this application is approved, it should be with the understanding that it conforms to all the rules and regulations of Lincoln, Lancaster County and the State of Nebraska.

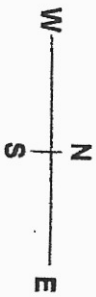
THOMAS K. CASADY, Chief of Police



A nationally accredited law enforcement agency



Jackpot Convenience Store 511 West A Street



Office

Walk-in

Cooler

Storage

Restroom

Counter

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DEC 28 2007
NEBRASKA LIQUOR
CONTROL COMMISSION

Walk-in
Cooler

SINK

Liquor
Storage

40'

50'

APPLICATION FOR LIQUOR LICENSE

301 CENTENNIAL MALL SOUTH
 PO BOX 95046
 LINCOLN, NE 68509-5046
 PHONE: (402) 471-2571
 FAX: (402) 471-2814
 Website: www.lcc.ne.gov/

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CLASS OF LICENSE FOR WHICH APPLICATION IS MADE AND FEES**CHECK DESIRED CLASS(S)****NEBRASKA LIQUOR
CONTROL COMMISSION****RETAIL LICENSE(S)**

<input type="checkbox"/>	A	BEER, ON SALE ONLY	\$45.00
<input type="checkbox"/>	B	BEER, OFF SALE ONLY	\$45.00
<input type="checkbox"/>	C	BEER, WINE & DISTILLED SPIRITS, ON & OFF SALE	\$45.00
<input checked="" type="checkbox"/>	D	BEER, WINE & DISTILLED SPIRITS, OFF SALE ONLY	\$45.00
<input type="checkbox"/>	I	BEER, WINE & DISTILLED SPIRITS, ON SALE ONLY	\$45.00

Class K Catering license may be added to any of these classes with the filing of the appropriate form and fee of \$100.00

MISCELLANEOUS

<input type="checkbox"/>	L	Craft Brewery (Brew Pub)	\$295.00	\$1,000 minimum bond
<input type="checkbox"/>	O	Boat	\$ 95.00	
<input type="checkbox"/>	V	Manufacturer	\$ 45.00(+license fee)	\$10,000 minimum bond
<input type="checkbox"/>	W	Wholesale Beer	\$545.00	\$5,000 minimum bond
<input type="checkbox"/>	X	Wholesale Liquor	\$795.00	\$5,000 minimum bond
<input type="checkbox"/>	Y	Farm Winery	\$295.00	\$1,000 minimum bond
<input type="checkbox"/>	Z	Micro Distillery	\$295.00	\$1,000 minimum bond

All Class C licenses expire October 31st

All other licenses expire April 30th

Catering expire same as underlying retail license

TYPE OF APPLICATION BEING APPLIED FOR (CHECK ONE)

- ☐ Individual License (requires insert form 1)
☐ Partnership License (requires insert form 2)
☒ Corporate License (requires insert form 3a & 3c)
☐ Limited Liability Company (requires form 3b & 3c)

NAME OF PERSON OR FIRM ASSISTING WITH APPLICATION

(commission will call this person with any questions we may have on this application)

Name Jennifer L. Tricker

Phone number: 402-421-2902

Firm Name Tricker Law Office

PREMISE INFORMATION

Trade Name (doing business as) Smith Enterprises, Inc. d/b/a Jackpot Convenience Store

Street Address #1 501 West A Street

Street Address #2 _____

City Lincoln County Lancaster Zip Code 68522

Premise Telephone number 402-435-8090

Is this location inside the city/village corporate limits: ☒ YES ☐ NO

Mail address (where you want receipt of mail from the commission)

Name Dean H. Smith

Street Address
#1 c/o McBride Clark Associates

Street Address
#2 4900 High Street

City Lincoln County Lancaster Zip Code 68506

DESCRIPTION AND DIAGRAM OF THE STRUCTURE TO BE LICENSED

In the space provided or on an attachment draw the area to be licensed. This should include storage areas, basement, sales areas and areas where consumption or sales of alcohol will take place. If only a portion of the building is to be covered by the license, you must still include dimensions (length x width) of the licensed area as well as the dimensions of the entire building in situations. No blue prints please. Be sure to indicate the direction north and number of floors of the building.

See attached

APPLICANT INFORMATION

1. READ CAREFULLY. ANSWER COMPLETELY AND ACCURATELY.

Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name.

☐ YES ☒ NO

If yes, please explain below or attach a separate page.

2. Are you buying the business and/or assets of a licensee?

☒ YES ☐ NO

If yes, give name of business and license number Connot Enterprises, Inc. # 57929 (Class D)

a) Submit a copy of the sales agreement including a list of the furniture, fixtures and equipment.

b) Include a list of alcohol being purchased, list the name brand, container size and how many?

See attached

3. Are you filing a temporary agency agreement whereby current licensee allows you to operate on their license?

☒ YES ☐ NO

If yes, attach temporary agency agreement form and signature card from the bank.

This agreement is not effective until you receive your three (3) digit ID number from the Commission.

4. Are you borrowing any money from any source to establish and/or operate the business?

☒ YES ☒ NO

If yes, list the lender Hastings State Bank

5. Will any person or entity other than applicant be entitled to a share of the profits of this business?

☐ YES ☒ NO

If yes, explain. All involved persons must be disclosed on application.

6. Will any of the furniture, fixtures and equipment to be used in this business be owned by others?

☐ YES ☒ NO

If yes, list such items and the owner.

7. Will any person(s) other than named in this application have any direct or indirect ownership or control of the business?

☐ YES ☒ NO

If yes, explain.

No silent partners

8. Are you premises to be licensed within 150 feet of a church, school, hospital, home for the aged or indigent persons or for veterans, their wives, children, or within 300 feet of a college or university campus?

☐ YES ☒ NO

If yes, list the name of such institution and where it is located in relation to the premises (Neb. Rev. Stat. 53-177)

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9. Is anyone listed on this application a law enforcement officer?

☐ YES ☒ NO

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If yes, list the person, the law enforcement agency involved and the person's exact duties

NEBRASKA LIQUOR
CONTROL COMMISSION

10. List the primary bank and/or financial institution (branch if applicable) to be utilized by the business and the individual(s) who will be authorized to write checks and/or withdrawals on accounts at the institution.

Hastings State Bank Dean H. Smith

11. List all past and present liquor licenses held in Nebraska or any other state by any person named in this application. Include license holder name, location of license and license number. Also list reason for termination of any license(s) previously held.

N/A

12. List the person who will be the on site supervisor of the business and the estimated number of hours per week such person or manager will be on the premises supervising operations. Dean H. Smith 60 Hours

13. List the training and/or experience (when and where) of the person lists in #12 above in connection with selling and/or serving alcoholic beverages. Limited - will take certification course/exam on-line

14. If the property for which this license is sought is owned, submit a copy of the deed, or proof of ownership. If leased, submit a copy of the lease covering the entire license year. Documents must show title or lease held in name of applicant as owner or lessee in the individual(s) or corporate name for which the application is being filed.

☒ Lease: expiration date 12/31/12
☐ Deed
☐ Purchase Agreement

15. When do you intend to open for business? December 27, 2007

16. What will be the main nature of business? Convenience Store

17. What are the anticipated hours of operation? 6:00am - 12:00am

18. List the principal residence(s) for the past 10 years for all persons required to sign, including spouses. If necessary attach a separate sheet.

RESIDENCES FOR THE PAST 10 YEARS, APPLICANT AND SPOUSE MUST COMPLETE					
APPLICANT: CITY & STATE	YEAR		SPOUSE: CITY & STATE	YEAR	
	FROM	TO		FROM	TO
1411 S 226th Eagle NE	93	Present	1411 S 226th Eagle NE	93	Present

The undersigned applicant(s) hereby consent(s) to an investigation of his/her background investigation and release present and future records of every kind and description including police records, tax records (State and Federal), and bank or lending institution records, and said applicant(s) and spouse(s) waive(s) any right or causes of action that said applicant(s) or spouse(s) may have against the Nebraska Liquor Control Commission, the Nebraska State Patrol, and any other individual disclosing or releasing said information. Any documents or records for the proposed business or for any partner or stockholder that are needed in furtherance of the application investigation of any other investigation shall be supplied immediately upon demand to the Nebraska Liquor Control Commission or the Nebraska State Patrol. The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate or fraudulent.

Individual applicants agree to supervise in person the management and operation of the business and that they will operate the business authorized by the license for themselves and not as an agent for any other person or entity. Corporate applicants agree the approved manager will superintend in person the management and operation of the business. Partnership applicants agree one partner shall superintend the management and operation of the business. All applicants agree to operate the licensed business within all applicable laws, rules regulations, and ordinances and to cooperate fully with any authorized agent of the Nebraska Liquor Control Commission.

Must be signed in the presence of a notary public by applicant(s) and spouse(s). If partnership or LLC (Limited Liability Company), all partners, members and spouses must sign. If corporation all officers, directors, stockholders (holding over 25% of stock and spouses). Full (birth) names only, no initials.

Deen Smith

Signature of Applicant

Janet E. Smith

Signature of Spouse

Signature of Applicant

Signature of Spouse

Signature of Applicant

Signature of Spouse

Signature of Applicant

Signature of Spouse

Signature of Applicant

Signature of Spouse

State of Nebraska

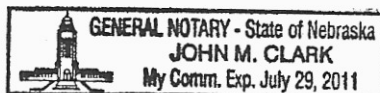
County of Lancaster

The foregoing instrument was acknowledged before me this 17th day of Nov by 2007

Deen H. Smith

Notary Public signature

Affix Seal Here



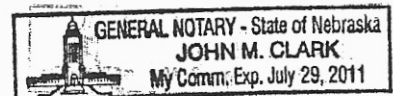
County of Lancaster

The foregoing instrument was acknowledged before me this 17th day of Nov by 2007

Janet E. Smith

Notary Public signature

Affix Seal Here



In compliance with the ADA, this manager insert form 3c is available in other formats for persons with disabilities. A ten day advance period is required in writing to produce the alternate format.

(2 cards per person)
All officers, directors and stockholders holding over 25 % and their spouse (if applicable) must sign the signature

**APPLICATION FOR LIQUOR LICENSE
CORPORATION
INSERT - FORM 3a**

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov

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Officers, directors and stockholders holding over 25%, including spouses, are required to adhere to the following requirements

- 1) The president and stockholders holding over 25% and their spouse (if applicable) must submit their fingerprints (2 cards per person)
- 2) All officers, directors and stockholders holding over 25 % and their spouse (if applicable) must sign the signature page of the Application for License form (Even if a spousal affidavit has been submitted)

Attach copy of Articles of Incorporation (Articles must show barcode receipt by Secretary of States Office)

Name of Registered Agent: John M. Clark

Name of Corporation that will hold license as listed on the Articles

Smith Enterprises, Inc.

Corporation Address: 4900 High Street

City: Lincoln State: NE Zip Code: 68506

Corporation Phone Number: 402 - 432 - 5521 Fax Number N/A

Total Number of Corporation Shares Issued: 10,000

Name and notarized signature of president (Information of president must be listed on following page)

Last Name: Smith First Name: Dean MI: H.

Home Address: 1411 South 226th Street City: Eagle

State: NE Zip Code: 68347 Home Phone Number: (402) 781-9393

Dean Smith

Signature of president

State of Nebraska

County of Lancaster

The foregoing instrument was acknowledged before me this

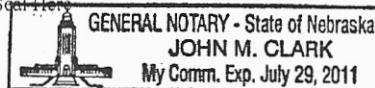
17th day of December 2007
date

Dean H. Smith
name of person acknowledged

John Clark

Notary Public signature

Affix Seal Here



Spouse Social Security Number: _____

Date of Birth: _____

List names of all officers, directors and stockholders including spouses (Even if a spousal affidavit has been submitted)

Last Name: Smith First Name: Dean MI: H

Social Security Number _____ Date of Birth: _____

Title: President / Sec / TREASURE Number of Shares 10,000

Spouse Full Name (indicate N/A if single): Janet E. Smith

Spouse Social Security Number: _____ Date of Birth: _____

Last Name: Smith First Name: Janet MI: E

Social Security Number: _____ Date of Birth: _____

Title: Director Number of Shares 0

Spouse Full Name (indicate N/A if single): Dean H. Smith

Spouse Social Security Number _____ Date of Birth: _____

Last Name: Smith First Name: Charlotte MI: L

Social Security Number: _____ Date of Birth: _____

Title: Director Number of Shares 0

Spouse Full Name (indicate N/A if single): N/A

Spouse Social Security Number: _____ Date of Birth: _____

Last Name: Clark First Name: John MI: M.

Social Security Number: _____ Date of Birth: _____

Title: Secretary/Treasurer Number of Shares 0

Spouse Full Name (indicate N/A if single): Patricia Doeschot

Spouse Social Security Number: _____ Date of Birth: _____

Is the applying Corporation controlled by another Corporation?

☐ YES

☒ NO

If yes, provide the name of corporation and supply an organizational chart

Indicate the Corporation's tax year with the IRS (Example January through December)

Starting Date: January

Ending Date: December

Is this a Non-Profit Corporation?

☐ YES

☒ NO

If yes, provide the Federal ID #.

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**NEBRASKA LIQUOR
CONTROL COMMISSION**

In compliance with the ADA, this corporation insert form 3a is available in other formats for persons with disabilities.
A ten day advance period is requested in writing to produce the alternate format.

MANAGER APPLICATION
INSERT - FORM 3c

NEBRASKA LIQUOR CONTROL COMMISSION
301 CENTENNIAL MALL SOUTH
PO BOX 95046
LINCOLN, NE 68509-5046
PHONE: (402) 471-2571
FAX: (402) 471-2814
Website: www.lcc.ne.gov

Office Use

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Corporate manager, including their spouse, are required to adhere to the following requirements

- 1) Must be a citizen of the United States
- 2) Must be a Nebraska resident (Chapter 2 - 006)
- 3) Must provide a copy of their certified birth certificate or INS papers
- 4) Must submit their fingerprints (2 cards per person)
- 5) Must be 21 years of age or older
- 6) Applicant may be required to take a training course

NEBRASKA LIQUOR
CONTROL COMMISSION

Corporation/LLC information

Name of Corporation/LLC: Smith Enterprises, Inc.

Premise information

Premise License Number: (former owner's license) 57 929 (Class D), new/ present owner is applying for license

Premise Trade Name/DBA: Jackpot Convenience Store

Premise Street Address: 501 West A Street

City: Lincoln State: NE Zip Code: 68522

Premise Phone Number: 402-435-8090

The individual whose name is listed in the president or contact member category on either insert form 3a or 3b must sign their name below.

Dean Smith

CORPORATE OFFICER SIGNATURE
(Faxed signatures are acceptable)

Home Phone Number:

Business Phone Number: 402-592-4500 ext 415

Manager's information must be completed below PLEASE PRINT CLEARLY

Gender: ☒ MALE ☐ FEMALE

Last Name: Smith First Name: Dean MI: H

Home Address (include PO Box if applicable): 1411 South 226th

City: Eagle State: NE Zip Code: 68347

Home Phone Number: _____ Business Phone Number: 402-592-4500 ext 415

Social Security Number: _____ Drivers License Number & State: _____

Date Of Birth: _____ Place Of Birth: Aurora
Lincoln, NE

Are you married? If yes, complete spouse's information (Even if a spousal affidavit has been submitted)

☒ YES ☐ NO

Spouse's information

Spouses Last Name: Smith First Name: Janet
MI: E

Social Security Number: _____ Drivers License Number & State: _____

Date Of Birth: _____ Place Of Birth: LINCOLN, NE

APPLICANT AND SPOUSE MUST LIST RESIDENCE(S) FOR THE PAST 10 YEARS

APPLICANT			SPOUSE		
CITY & STATE		YEAR FROM TO	CITY & STATE		YEAR FROM TO
<u>1411 South 226</u>			<u>1411 South 226</u>		
<u>Eagle Nebraska</u>		<u>1993</u> <u>Present</u>	<u>Eagle Nebr</u>		<u>1993</u> <u>Present</u>

MANAGER'S LAST TWO EMPLOYERS

YEAR FROM TO	NAME OF EMPLOYER	NAME OF SUPERVISOR	TELEPHONE NUMBER
<u>1978</u> <u>2003</u>	<u>National Crane</u>	<u>Dan Wolff</u>	<u>—</u>
<u>2003</u> <u>2007</u>	<u>Elliott Equipment Company</u>	<u>Jim Glazer</u>	<u>402 592 4500</u>

Manager and spouse must review and answer the questions below
PLEASE PRINT CLEARLY

1. READ PARAGRAPH CAREFULLY AND ANSWER COMPLETELY AND ACCURATELY.

Has anyone who is a party to this application, or their spouse, EVER been convicted of or plead guilty to any charge. Charge means any charge alleging a felony, misdemeanor, violation of a federal or state law; a violation of a local law, ordinance or resolution. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. Also list any charges pending at the time of this application. If more than one party, please list charges by each individual's name.

☐ YES

☒ NO

If yes, please explain below or attach a separate page.

2. Have you or your spouse ever been approved or made application for a liquor license in Nebraska or any other state? **IF YES**, list the name of the premise.

☐ YES

☒ NO

3. Do you, as a manager, have all the qualifications required to hold a Nebraska Liquor License? Nebraska Liquor Control Act (§53-131.01)

☒ YES

☐ NO

4. Have you filed the required fingerprint cards and **PROPER FEES** with this application? (The check or money order must be made out to the Nebraska State Patrol for \$38.00 per person)

☒ YES

☐ NO

PERSONAL OATH AND CONSENT OF INVESTIGATION

The above individual(s), being first duly sworn upon oath, deposes and states that the undersigned is the applicant and/or spouse of applicant who makes the above and foregoing application that said application has been read and that the contents thereof and all statements contained therein are true. If any false statement is made in any part of this application, the applicant(s) shall be deemed guilty of perjury and subject to penalties provided by law. (Sec §53-131.01) Nebraska Liquor Control Act.

The undersigned applicant hereby consents to an investigation of his/her background including all records of every kind and description including police records, tax records (State and Federal), and bank or lending institution records, and said applicant and spouse waive any rights or causes of action that said applicant or spouse may have against the Nebraska Liquor Control Commission and any other individual disclosing or releasing said information to the Nebraska Liquor Control Commission. If spouse has **NO** interest directly or indirectly, a spousal affidavit of non participation may be attached.

The undersigned understand and acknowledge that any license issued, based on the information submitted in this application, is subject to cancellation if the information contained herein is incomplete, inaccurate, or fraudulent.

Dean Smith
Signature of Manager Applicant

Shirley E. Smith
Signature of Spouse

State of Nebraska

County of Lancaster

County of Lancaster

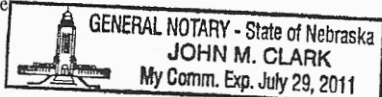
The foregoing instrument was acknowledged before me this 17th day of December

The foregoing instrument was acknowledged before me this 17th day of December

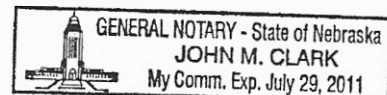
Dean H. Smith
John M. Clark
Notary Public signature

Shirley E. Smith
John M. Clark
Notary Public signature

Affix Seal Here



Affix Seal Here



NEBRASKA LIQUOR CONTROL COMMISSION
AFFIDAVIT OF NON PARTICIPATION

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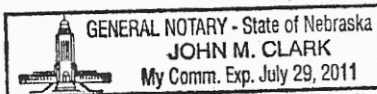
DEC 26 2007

The undersigned individual acknowledges that he/she will have no interest, directly or indirectly, in the operation or profit of the business, as prescribed in Section 49-125(13) of the Liquor Control Act. Such individual shall not tend bar, make sales, serve patrons, stock shelves, write checks, sign invoices, represent themselves as owner or in any way participate in the day to day operations in any capacity. The undersigned individual will also be waived of filing fingerprint cards, however, will be required to disclose any violation(s) on all applications and sign all necessary documents.

Janet E. Smith

Signature of Spouse Asking to be Waived

SUBSCRIBED in my presence and sworn to before me this 17th day
of December, 2007.



John M. Clark
Signature of Notary Public

The applying individual, whose spouse is requesting to be waived, understands that he/she is responsible for compliance with the conditions set out above, and that if such terms are violated, the Commission may cancel or revoke the license.

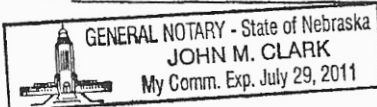
Dean H. Smith

*Signature of applying individual
(spouse of individual listed above)

Dean H. Smith

Print name of applying individual

SUBSCRIBED in my presence and sworn to before me this 17th day
of December, 2007.



John M. Clark
Signature of Notary Public

*spouse of individual listed above is the individual required to sign bottom portion of affidavit

El Secretario de Estado de los Estados Unidos de América por el presente solicita a las autoridades competentes permitir el paso del ciudadano o nacional de los Estados Unidos aquí nombrado, sin demora ni dificultades, y en caso de necesidad, prestarle toda la ayuda y protección lícitas.

SIGNATURE OF BEARER/SIGNATURE DU TITULAIRE/FIRMA DEL TITULAR

NOT VALID UNTIL SIGNED

PASSPORT
PASSEPORT
PASAPORTE

UNITED STATES OF AMERICA

Type / Type / Tipo Code / Code / Código Passport No. / No. du Passport / No. de Pasaporte
P USA 159804214

USA

Surname / Nom / Apellidos
SMITH

Given names / Prénoms / Nombres
DEAN HOMER

Nationality / Nationalité / Nacionalidad
UNITED STATES OF AMERICA

Date of birth / Date de naissance / Fecha de nacimiento

Sex / Sexe / Sexo / Race of birth / Lieu de naissance / Lugar de nacimiento
M / F / M / NEBRASKA, U.S.A.

Date of issue / Date de délivrance / Fecha de expedición
24 Feb 1999

Date of expiration / Date d'expiration / Fecha de caducidad
23 Feb 2009

Amendments / Modifications / Enmiendas
See Page 24

Authority / Autorité / Autoridad
National
Passport Center

[illegible]

1598042142USA5503252M0902230<<<<<<<<<<<<<06

AMENDED ARTICLES OF INCORPORATION
OF
SMITH ENTERPRISES, INC.

The undersigned acting as the incorporator of a corporation under the Business Corporation Act of the State of Nebraska (the "Act"), adopts, as of December 28, 2007, the following Amended Articles of Incorporation for such corporation. Such Amended Articles of Incorporation were adopted by the incorporator and thus, shareholder action was not required.

ARTICLE I

The name of the corporation shall be Smith Enterprises, Inc. (the "Corporation").

ARTICLE II

The aggregate number of shares which the Corporation shall have authority to issue is ten thousand (10,000) shares, having a par value of \$1.00 each, all of which shall be voting common shares.

All transfers of the shares of the Corporation shall be made in accordance with the provisions of the Bylaws of the Corporation.

ARTICLE III

The holders of shares of the Corporation's common stock shall have a preemptive right to acquire the Corporation's unissued shares.

ARTICLE IV

The name and street address of the persons who are to serve as the members of the Board of Directors of the Corporation until the first annual meeting of the shareholders, or until their successor(s) shall be elected and qualified, are as follows:

Dean H. Smith	1411 South 226th Street Eagle, Nebraska 68347
Janet E. Smith	1411 South 226th Street Eagle, Nebraska 68347
Charlotte L. Smith	1300 G Street Apartment 301 W Lincoln, Nebraska 68508

ARTICLE V

To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for any action taken, or any failure to take action as a director.

ARTICLE VI

To the fullest extent permitted by law, the Corporation shall indemnify a director or an officer for liability to any person for any action taken, or any failure to take action as a director or an officer.

The indemnity provided for by this Article shall not be deemed to be exclusive of any other rights to which those indemnified may be otherwise entitled, nor shall the provisions of this Article be deemed to prohibit the Corporation from extending its indemnification to cover other persons or activities to the extent permitted by the Act or pursuant to any provisions in the Bylaws of the Corporation. For purposes of any provisions contained in these Articles or in the Bylaws of the Corporation relating to indemnification of any individual by the Corporation, any term not otherwise defined herein or therein shall have the meaning ascribed to it, if any, by Section 21-20,102 of the Act.

ARTICLE VII

The Corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation in the manner now and hereafter permitted by the Act, and all rights conferred upon shareholders herein are granted subject to this reservation.


ARTICLE VIII

The address of the Corporation's initial registered office shall be 4900 High Street, Lincoln, Nebraska 68506, and the name of the initial registered agent at such address shall be John M. Clark.

ARTICLE IX

The name and street address of the incorporator is Dean H. Smith, 1411 South 226th Street, Eagle, Nebraska 68347.

DATED this 28th day of December, 2007.

A handwritten signature in dark ink, appearing to read "Dean H. Smith", is written over a horizontal line.

Dean H. Smith, Incorporator

STATE OF

NEBRASKA

United States of America,
State of Nebraska } ss.



Department of State
Lincoln, Nebraska

I, John A. Gale, Secretary of State of Nebraska do hereby certify;

the attached is a true and correct copy of Articles of Amendment to
the Articles of Incorporation of

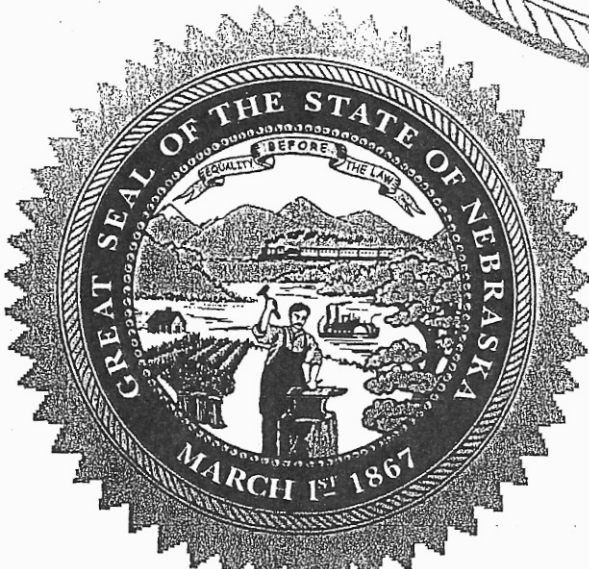
SMITH ENTERPRISES, INC.

with registered office located in LINCOLN, Nebraska, as filed in this
office on December 28, 2007.

In Testimony Whereof,

I have hereunto set my hand and
affixed the Great Seal of the State
of Nebraska on December 28, 2007.

John A. Gale
SECRETARY OF STATE



This certificate is not to be construed as an endorsement,
recommendation, or notice of approval of the entity's
financial condition or business activities and practices.

STATE OF

NEBRASKA

RECEIVED

DEC 23 2007

NEBRASKA LIQUOR
CONTROL COMMISSION

Department of State
Lincoln, Nebraska

United States of America, } ss.
State of Nebraska



I, John A. Gale, Secretary of State of Nebraska do hereby certify;

the attached is a true and correct copy of Articles of Incorporation of

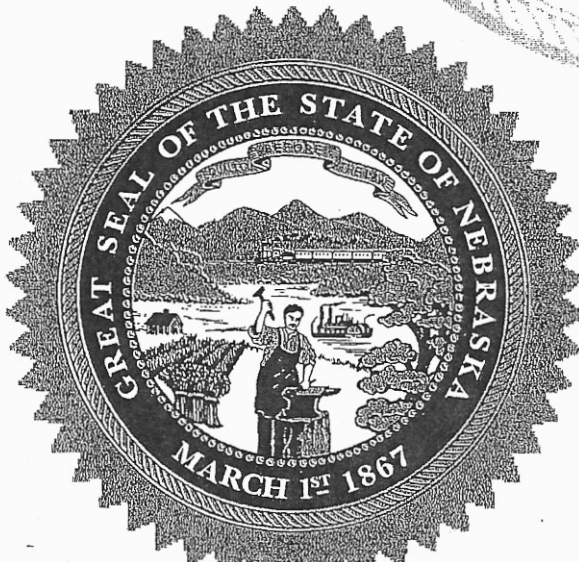
SMITH ENTERPRISES, INC.

with its registered office located in LINCOLN, Nebraska, as filed in
this office on November 20, 2007.

In Testimony Whereof,

I have hereunto set my hand and
affixed the Great Seal of the State of
Nebraska on November 20, 2007.

John A. Gale
SECRETARY OF STATE



This certificate is not to be construed as an endorsement,
recommendation, or notice of approval of the entity's
financial condition or business activities and practices.

TEMPORARY AGENCY AGREEMENT

ID# _____

1. On December 3, 2007, Seller and Buyer entered into a contract for sale of the business, known as Taxipat Convenience, which contract is contingent upon Buyer receiving approval for a liquor license to operate the business.

2. Seller and Buyer agree to allow Buyer to operate the business, subject to approval by the Liquor Control Commission, for a period not to exceed 120 days subsequent to December 26, 2007, the date of filing the application with the Liquor Control Commission.

3. Seller will maintain a possessory interest in the property in the form of a lease, use permit or license;

4. Buyer will at all times be the agent of the Seller, but Buyer will be completely and totally responsible for the operation of the business and for all liability associated with the operation of the business during the time when Buyer is acting as Seller's agent; it is specifically understood that Seller shall have no liability for the operation of the business during this period of time, and Buyer agrees to indemnify and hold Seller harmless from any claims arising during this period of operation; however, it is understood that the liquor license remains in the name of the Seller and Seller will be responsible for all violations of the liquor laws of the State of Nebraska until such time as Seller's license is canceled;

5. At time of closing, certain funds will be held in escrow pending issuance of the license.

6. Financial Institution: Name, Address, Account number of where escrow account is being held - Send Copy Of Signature Card.

7. All profits derived from the operation of the business by the buyer, after payment of bills and salaries, shall be paid to the same escrow agent to be held until the issuance of the license, it being specifically understood that the Buyer shall receive no profits from the operation of the business until the liquor license has been issued to Buyer, but shall have the right to direct the investment of profit funds by escrow agent.

8. This agreement constitutes the entire and complete understanding of all parties with regard to the agency relationship, and is binding upon the heirs, personal representatives and successors of the parties.

9. It is hereby understood that in the event the Commission denies this application, this Temporary Agency Agreement is null and void the date of the order.

Signature of Seller William E. Connot

Signature of Seller _____

Signature of Buyer Dean Smith

Signature of Buyer _____

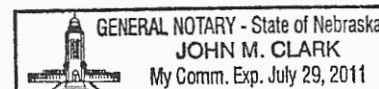
Dated this 17th day of December, 2007

STATE OF NEBRASKA)
COUNTY OF) ss

The above and foregoing Agency Agreement was acknowledged before me this 17th day of December, 2007, by William Connot, as Seller, _____, as Seller.

The above and foregoing Agency Agreement was acknowledged before me this 17th day of December, 2007, by Dean Smith, as Buyer, _____, as Buyer.

Signature & Seal of Notary Public _____



HASTINGS STATE BANK

Account Holder Name(s): SMITH ENTERPRISES, INC. DBA JACKPOT
CONVENIENT LIQUOR ESCROW ACCOUNT; DEAN SMITH as Agent;
BILL COMOT as Agent

Reporting SSN/TIN:

Mailing Address: 511 WEST A STREET, LINCOLN, NE 68522

Telephone Number:

Work #:

Number of Signatures Required: 1 CIF Number:

Account Purpose: Consumer

ACCOUNT TYPE

ACCOUNT NUMBER

Regular Checking Account

Date Opened
12-20-07

Date Revised

Opened By
614

Verified By
ChexSystems

OWNERSHIP TYPE Individual

Signatures of Authorized Individuals. This Agreement is subject to all terms below.

X

SMITH ENTERPRISES, INC. DBA JACKPOT CONVENIENT LIQUOR
ESCROW ACCOUNT

X

DEAN SMITH, Agent

X

BILL COMOT, Agent

COMOT

(Signatures and printed names of each account signer)

The Authorized Individual(s) signing above agree(s), jointly and severally if multiple signers, to the terms set forth in the Deposit Account Agreement and Disclosure, the Time Certificate of Deposit or Confirmation of Time Deposit Agreement (if applicable), the Rate and Fee Schedule, the Funds Availability Policy Disclosure, the Substitute Check Policy Disclosure, the Electronic Funds Transfer Agreement and Disclosure, (if applicable), and acknowledge receipt of our privacy policy (if applicable), as amended by the Financial Institution from time to time. Each of the Authorized Individual(s) signing also acknowledges that the Financial Institution provided at least one copy of these deposit account documents. The Authorized Signer(s) understand(s) accounts opened after 3:30 PM are dated effective the next business day.

TIN/BACKUP WITHHOLDING

Reporting SSN:

Important: Under penalties of perjury, I certify that the number shown above is my correct taxpayer identification number, I am a U.S. person (including a U.S. resident alien), and that (check appropriate box):

☒ I am not subject to backup withholding, because I am exempt from backup withholding, or because I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends, or because the IRS has notified me that I am no longer subject to backup withholding.

☐ I am subject to backup withholding.

Signature of Authorized Individual: X

Date

The following information may be used to further identify individual(s) for telephone instructions, large transactions, or if a signature varies.

MMN = Mother's Maiden Name

Name: SMITH ENTERPRISES, INC. DBA JACKPOT CONVENIENT LIQUOR ESCROW ACCOUNT

SSN:

Street: 511 WEST A STREET, LINCOLN, NE 68522

Mailing:

Phone: (H):

(W):

Job:

DOB:

ID:

MMN:

Name: DEAN SMITH

SSN:

Street: 501 WEST A STREET, LINCOLN, NE 68522

Mailing:

Phone: (H): (402) 781-9393

(W):

Job:

DOB:

ID:

Drivers License (

MMN:

CB REPORT 11/26/2007

RECEIVED

ASSET PURCHASE AGREEMENT

DEC 23 2007

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of the 3rd day of December, 2007, by and among SMITH ENTERPRISES, INC., a Nebraska corporation (the "Purchaser"), and CONNOT ENTERPRISES, INC., a Nebraska corporation, d/b/a Jackpot Convenience Store (the "Seller"). Seller and Purchaser are sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, Seller owns and operates a convenience store in Lincoln, Nebraska (the "Business"); and

WHEREAS, Seller desires to sell and assign and Purchaser desires to purchase and assume all of the Assets (as hereafter defined) used by Seller or useful in the operations of the Business in Lincoln, Nebraska, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, representations and warranties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1: PURCHASE AND SALE OF ASSETS

1.1 **Agreement to Purchase and Sell Assets.** On the Date of Closing (as hereinafter defined), Purchaser agrees to purchase from Seller, and Seller agrees to sell, assign, transfer, convey and deliver to Purchaser on the terms and subject to the conditions set forth in this Agreement, the following assets (the "Assets"):

- a. All equipment, fixtures, furniture, signage and supplies owned by Seller and used in the conduct of the Business and listed on Exhibit "A" attached hereto and incorporated herein by this reference (the "Tangible Assets") on an "AS-IS" basis in the condition of such Tangible Assets as of the date hereof;
- b. All intangible assets of the Business such as including copies of all records, files, books, papers, correspondence, memoranda, documents, and other written material (the "Intangibles");
- c. All inventory owned by Seller and used in connection with the Seller's Business in stock as of the Closing Date (the "Inventory") on an "AS-IS" basis in the condition of such Inventory as of the Closing Date listed on Exhibit "B";
- d. The contracts of Seller relating to the Seller's Business listed on Exhibit "C" attached hereto and incorporated herein by this reference (the "Assumed Contracts");
- e. The name of the Business "Jackpot Convenience Store" as advertised;

f. While Seller retains ownership of the equipment of telephone cards, Seller will pay Purchaser 20% of gross proceeds from the sale of telephone cards collected from the Closing Date onward;

g. While Seller retains ownership of the Automated Teller Machine ("ATM") that is located on the premises, Seller will increase the service charge assessed, incorporated herein by this reference (the "ATM Fees"), to users of the ATM to \$2.00 and will pay Purchaser \$1.00 from each service charge collected from the Closing Date onward; and

h. The goodwill of the Business as a going concern;

1.2 **Excluded Assets.** Notwithstanding anything contained in this Agreement to the contrary, Purchaser will not purchase, and Seller will not sell, anything not expressly included in the list in Section 1.1 hereof.

1.3 **Purchase of Assets by Purchaser.** Purchaser hereby agrees that upon and subject to the terms, provisions and conditions of this Agreement, and in reliance upon the covenants, representations and warranties of the Seller contained herein, Purchaser shall purchase the Assets from Seller.

1.4 **Assumption of Liabilities.** Other than the Assumed Contracts, the Parties hereto agree and acknowledge that Purchaser is not assuming and, by the terms of this Agreement, shall not assume any liabilities or obligations of Seller relating to the operation of the Seller's Business by Seller prior to the Closing Date.

1.5 **Consulting Services.** Seller shall provide consulting services to Purchaser with respect to the operation of the Seller's Business and shall be reasonably available for advice and questions from Purchaser for a period ending 120 days after the Closing Date.

1.6 **Computer.** Purchaser agrees to provide the Business a computer system and software necessary to manage the sale of fuel, maintain accounting records and which will be used for the taking of final inventory accounting purposes.

ARTICLE 2: PURCHASE PRICE

2.1 **Purchase Price.** The Purchase Price for the Assets shall be One Hundred Eighty Four Thousand Six Hundred Fifty and No/100 Dollars (\$184,650.00) (the "Base Price"), subject to the adjustments provided herein, plus Seller's actual cost of the Inventory transferred to Purchaser on the Date of Closing (the "Inventory Price"), as determined by Seller and Purchasers' physical count prior to the Closing Date, priced at its cost, and stated on a list to be attached hereto as Exhibit "B" and incorporated herein by this reference (the "Inventory List").

The Base Purchase Price and Inventory Purchase Price are sometimes herein collectively referred to as the "Purchase Price."

2.2 Allocation of Purchase Price. The Purchase Price shall be allocated as follows:

Goodwill	\$45,153 44,145 DS B.C.
Equipment, fixtures, furniture, signs, supplies and intangibles	\$139,497 140,505 DS B.C.
Inventory	To be determined at Closing

The Purchaser and Seller shall each file, in accordance with Section 1060 of the Code (as hereinafter defined), an Asset Allocation Statement on Form 8594 (which conforms to such allocation) with its federal income tax return for the tax year in which the Date of Closing occurs. The Parties agree not to assert, in connection with any tax return, audit or other similar proceeding, any allocation of the Purchase Price which differs from the allocation set forth in this Agreement.

2.3 Payment of Purchase Price. At the Closing (as hereinafter defined), the Purchaser shall pay the Purchase Price, which payment shall be made as follows:

- a. A check in the amount of Twenty Five Thousand and No/100ths Dollars (\$25,000) (the "Down Payment") on the date of signing this agreement.
- b. A check in the amount of One Hundred Eighty Four Thousand Six Hundred Fifty and No/100ths Dollars (\$184,650), less the \$25,000 payment made pursuant to paragraph a. above on the Date of Closing.

ARTICLE 3: ASSUMPTION OF LIABILITIES

3.1 Limitation on Assumption of Liabilities. Seller shall transfer the Assets to Purchaser on the Date of Closing free and clear of all Encumbrances (as hereinafter defined), and Purchaser shall not, by virtue of its purchase of the Assets, assume or become responsible for any Liabilities of Seller, except as specifically provided herein. The Seller agrees to pay when due all Liabilities of Seller not expressly assumed by Purchaser hereunder which are the rightful obligations of Seller.

3.2 **Employees.** Purchaser shall assume no Liabilities of any kind or nature associated with Seller's employees, including without limitation liabilities for wages, payroll taxes, accrued vacation and sick leave, health insurance premiums, unemployment insurance, worker's compensation insurance and retirement plan obligations.

ARTICLE 4: DELIVERY OF ASSETS AND OTHER DOCUMENTS

4.1 **Bill of Sale.** At the Closing, Seller shall deliver the Tangible Assets and the Inventory to Purchaser by delivery of a duly executed bill of sale in the form attached hereto as Exhibit "D" and incorporated herein by this reference (the "Bill of Sale").

4.2 **Assignment.** At the Closing, Seller shall deliver the Intangible Assets to Purchaser by delivery of a duly executed assignment in the form attached hereto as Exhibit "E" and incorporated herein by this reference (the "Assignment").

4.3 **Assignment and Assumption of Assumed Contracts.** At the Closing, Seller shall deliver the rights and obligations under the Assumed Contracts to Purchaser by delivery of a duly executed assignment and assumption agreement in the form attached hereto as Exhibit F and incorporated herein by this reference (the "Assignment and Assumption agreement").

4.4 **Title and Risk of Loss.** Title to each of the Assets and risk of loss with respect thereto shall pass from Seller to Purchaser as of the Closing Date.

4.5 **ATM Fees.** Seller shall transmit ATM Fees owed to Purchaser by the 15th of every month, *for the prior month's transactions. DS B.C.*

4.6 **Telephone Card Proceeds.** Seller shall transmit the telephone card proceeds owed to Purchaser by the 15th of ~~every month~~, *June and 15th of December every year. DS B.C.*

ARTICLE 5: REPRESENTATIONS AND WARRANTIES OF SELLER AND PURCHASER

Seller warrants and represents to Purchaser, and Purchaser warrants and represents to Seller, that each and all of the following are true and correct as of the date of this Agreement and will be true and correct at and as of the Closing:

5.1 **Due Authorization.** This Agreement and the documents, instruments, and agreements to be executed and/or delivered by Seller and Purchaser to this Agreement (collectively the "Transaction Documents") have been, or will be on or before the Date of Closing, duly and validly authorized, executed, and delivered by Seller and Purchaser, and the obligations of Seller and Purchaser are, or will be upon such execution or delivery, valid, legally binding, and enforceable against Seller and Purchaser in accordance with their respective terms.

5.2 **No Breach.** Seller and Purchaser have full power and authority, including authority pursuant to the Business Corporation Act, to sell, assign, transfer, convey, and deliver the Assets to Purchaser and to otherwise each perform their respective obligations under the

Transaction Documents and this Agreement. The execution and delivery of the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby will not: (i) violate any provision of the Articles of Organization, Bylaws, or Operating Agreement (or comparable governing documents or instruments) of Seller or Purchaser; (ii) violate any Applicable Laws (as hereinafter defined), Injunctions (as hereinafter defined) or Licenses (as hereinafter defined); (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give another party any rights of termination, cancellation or acceleration) under any of the terms, conditions, or provisions of any Contract to which Seller or Purchaser is a party, or by which it or any of its properties or assets may be bound; or (iv) result in the creation or imposition of any Encumbrance on any of the Assets.

5.3 Clear Title. On the Date of Closing, Seller will convey to Purchaser free and clear of any and all Encumbrances of any kind, nature or description whatsoever, good, valid, and marketable title to all of the Assets (whether real, personal or mixed, and whether tangible or intangible).

5.4 Litigation. No Proceeding (as hereinafter defined) is pending that has been commenced by or against Seller or Purchaser or that otherwise relates to or may affect the Assets or this Agreement. To the Knowledge (as hereinafter defined) of the Seller and Purchaser, (i) no such Proceeding has been Threatened (as hereinafter defined), and (ii) no event has occurred or circumstance exists that may give rise to, or serve as a basis for, the commencement of any such Proceeding. Neither Seller nor Purchaser are a party to, or subject to the provisions of, any Injunction which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Seller or the Purchaser, or impair the ability of Seller and Purchaser to consummate the transactions contemplated hereby.

5.5 Full Disclosure. No representation or warranty made by Seller or Purchaser in any of the Transaction Documents and this Agreement, and no statement, certificate, or other document or instrument furnished or to be furnished by or on behalf of Seller or Purchaser pursuant to this Agreement or in connection with the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit, to state a material fact necessary to make the statements contained herein and therein not misleading, or any fact necessary to provide the Seller and the Purchaser with proper and adequate information concerning the properties, Assets, Liabilities, and Seller and Purchaser have fully disclosed to the other any and all facts and information known to it that reasonably could be expected to have a Material Adverse Effect on the performance of this Agreement.

5.6 Compliance with Laws. To Seller's and Purchaser's Knowledge, the respective Business has been operated and the Assets and Seller and Purchaser are in full compliance with all requirements of insurance carriers, all licenses and permits and all Applicable Laws. Neither

or the ordinary course of business are required to the Assets in order to allow the continued
Seller nor Purchaser have received (a) any notice of, and has no reason to anticipate that any presently existing circumstances are likely to result in, any violation of a material nature of any Applicable Laws respecting the Seller or Purchaser, the Assets or their respective Businesses; or (b) any notice of, and has no reason to anticipate that any presently existing circumstances are likely to result in, any Proceeding with respect to the Assets or Business being brought or instigated by any Person (as hereinafter defined).

5.7 **Maintenance.** To the Knowledge of the Seller, no maintenance or repairs outside of the ordinary course of business are required to the Assets in order to allow the continued operation of the Business following Closing.

5.8 **No Omissions or Misrepresentations.** No representation or warranty of Seller or Purchaser contained in this Agreement or any document provided for in this Agreement omits or will omit to state any material fact necessary to make each representation or warranty in this Agreement or any document provided for in this Agreement accurate and not misleading in any material respect.

ARTICLE 6: COVENANTS

Seller and Purchaser covenant and agree that from and after the date of this Agreement and until the earlier of Date of Closing or the termination of this Agreement in accordance with Article 12 hereof:

6.1 **Business As Usual.** Seller shall carry on the Business diligently, only in the Ordinary Course of Business and substantially in the same manner as heretofore conducted. Without limiting the generality of the foregoing, Seller shall not take any action or fail to take any action, including without limitation the payment of any Liability as the same shall become due, which could reasonably be expected to cause the representations and warranties contained in Article 4 hereof to be false in any material respect as of the Date of Closing.

6.2 **Preservation of Business.** Seller shall use its best efforts to preserve its business organization intact.

6.3 **Filing Reports and Making Payments.** Seller shall timely file all required reports and notices with each and every applicable Governmental Body and timely make all payments due and owing to each such Governmental Body, including, but not by way of limitation, any filings, notices and/or payments required by reason of the transactions contemplated by this Agreement.

6.4 **Payment of Liabilities.** Seller shall pay all Liabilities as they become due.

6.5 **Retention of Assets.** Prior to the Closing Date, Seller will not dispose of the Assets proposed to be sold pursuant to this Agreement, except in the ordinary course of business, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld.

6.6 **Cooperation.** Seller and Purchaser will fully cooperate prior to or following the Closing Date with each other in the performance of the transactions provided for in this Agreement.

6.7 **Accounts Receivable Payments.** In the event payment is made to Purchaser in satisfaction of any account receivable of the Seller, Purchaser shall transmit funds to Seller promptly after such funds are received by Purchaser.

6.8 **Disclosure.** Seller and Purchaser agree not to disclose any information with respect to this Agreement to any third parties without the express written consent of the other Party hereto, unless required by law or a court of competent jurisdiction.

ARTICLE 7: CONDITIONS PRECEDENT TO CLOSING

7.1 **Conditions Precedent to Purchaser's Obligations to Close.** Unless waived by Purchaser in writing, each and every obligation of Purchaser to be performed at the Closing shall be subject to the satisfaction at or prior thereto of each and all of the following conditions precedent:

7.1.1 **Accuracy of Representations and Warranties.** The representations and warranties made by Seller in the Transaction Documents shall be true and correct in all material respects at and as of the Closing with the same force and effect as though such representations and warranties had been made or given at and as of the Closing.

7.1.2 **Compliance with Covenants and Agreements.** Seller shall have performed and complied with all of its covenants, agreements and obligations under this Agreement which are to be performed or complied with by Seller at or prior to the Closing, all of which shall be reasonably satisfactory in form and substance to counsel for Purchaser.

7.1.3 **No Adverse Change.** As of the Date of Closing, nothing shall have occurred which, in the reasonable judgment of the Purchaser and Seller, could have, individually or in the aggregate, a Material Adverse Effect on the Assets.

7.1.4 **Building Lease.** Purchaser shall have entered into a lease for the building and property with Gary L. Nicholson, which shall be in effect as of the Date of Closing (the "Building Lease").

7.1.5 Inspection of premises. Purchaser and Seller shall have the property, including the underground storage tanks and gas pumps and other related items, inspected (the "Inspection") to ensure that each is in complete compliance with all local, state and federal regulations prior to the Closing Date. The costs associated with such inspection shall be divided equally between Purchaser and Seller. Should any repairs be necessary in order to comply with such regulations, Seller will pay for such costs. Such repairs shall be complete by the Closing Date or as soon as practical thereafter.

7.1.6 Liquor License. Purchaser shall have received evidence, in form and substance reasonably satisfactory to counsel for Purchaser, that the Nebraska Liquor Control Commission (the "Commission") has received and filed the Agency Agreement by and between Seller and Purchaser and the Application for Liquor License (the "License Application") completed by Purchaser, and has assigned Purchaser a three digit identification number necessary to carry on and continue to operate the Business as it is now conducted by Seller until the Commission approves or denies the License Application.

7.1.7 Seller shall have delivered to Purchaser, on or prior to the Closing, all of the documents provided in Section 10.2 of this Agreement.

7.2 Conditions Precedent to Seller's Obligations. Unless waived by Seller in writing, each and every obligation of Seller to be performed at the Closing shall be subject to the satisfaction at or prior thereto of each and all of the following conditions precedent:

7.2.1 Accuracy of Representations and Warranties. The representations and warranties made by Purchaser in the Transaction Documents shall be true and correct in all material respects at and as of the Closing with the same force and effect as though such representations and warranties had been made or given at and as of the Closing.

7.2.2 Compliance with Covenants and Agreements. Purchaser shall have performed and complied with all of its covenants, agreements, and obligations under this Agreement which are to be performed or complied with by it at or prior to the Closing, all of which shall be reasonably satisfactory in form and substance to Seller.

7.2.3 Purchaser shall have delivered to Seller, on or prior to the Closing, all of the documents provided in Section 10.3 of this Agreement.

ARTICLE 8: INDEMNIFICATION

8.1 Indemnification by Seller and Purchaser. Seller and Purchaser (including their successors and assigns) covenant and agree to pay and perform and indemnify and hold the

other, including its officers, directors, employees, affiliates, shareholder and agents, and each of their respective heirs, personal representatives, successors and assigns, harmless from, against and in respect of any and all losses, costs, expenses (including without limitation, reasonable attorneys' fees and disbursements of counsel), liabilities, damages, fines, penalties, charges, assessments, judgments, settlements, claims, causes of action and other obligations of any nature whatsoever (collectively "Losses") that any of them may at any time, directly or indirectly, suffer, sustain, incur or become subject to, arising out of, based upon or resulting from or on account of each and all of the following:

- a. The breach or falsity of any representation or warranty made by Seller or Purchaser in any of the Transaction Documents;
- b. The breach of any covenant or agreement made by Seller or Purchaser in any of the Transaction Documents;
- c. Any Liability of Seller which is not expressly assumed by Purchaser hereunder, or the failure of Purchaser to pay or perform any Liability assumed by Purchaser;
- d. Any violation of employment law or any claim for benefits made by any employee or former employee of Seller arising out of or relating to the actions of Seller; or
- e. Any services provided by the Seller in the operation of its Business on or before the Date of Closing.

ARTICLE 9: ARBITRATION

Any controversy or claim arising out of or relating to this Agreement or any transaction provided for herein, or in the breach thereof, other than a claim for injunctive relief, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time demand for arbitration is made by any Party. Within ten (10) days of receipt of a written demand for arbitration by any Party, the Parties will agree on one (1) arbitrator to resolve the controversy or claim. If the Parties are unable to come to an agreement as to who that one arbitrator will be, then one (1) arbitrator shall be named by Purchaser, a second shall be named by Seller and the third arbitrator shall be named by the two (2) arbitrators so chosen. In the event that the third arbitrator is not agreed upon, he or she shall be named by the American Arbitration Association. Arbitration shall occur in Lincoln, Nebraska. The award made by all of the arbitrators, or an average of the awards by the arbitrators if not identical, shall be final and binding, and judgment may be entered based upon such award in any court of law having competent jurisdiction. The award is subject to confirmation, modification, correction or vacation only as explicitly provided in Title 9 of the United States Code. The prevailing party shall be entitled to any award of pre- and post-award interest as well as reasonable attorney's fees incurred in connection with the arbitration and any judicial proceedings related thereto.

ARTICLE 10: CLOSING

10.1 **Date of Closing.** Subject to the satisfaction or waiver of the conditions precedent contained in Articles 7 and 8 hereof, the closing of the transactions contemplated by this Agreement (the "Closing") shall be held at 6:00 p.m., December 26, 2007, at a place that is mutually agreed upon by the Parties, or at such other day, time and place as may be mutually agreed upon by Purchaser and Seller and shall be as of the close of business on such day. Such date is referred to in this Agreement as the "Date of Closing."

10.2 **Documents to be Delivered by Seller.** On or before Closing Seller shall execute, where necessary or appropriate, and deliver each and all of the following:

- a. A certificate signed by the duly authorized officers of Seller dated as of the Date of Closing in the form of Exhibit "G" attached hereto and incorporated herein by this reference;
- b. The Bill of Sale;
- c. The Assignment;
- d. The Assignment and Assumption Agreement;
- e. Such other documents and items as are reasonably necessary or appropriate to effect the consummation of the transactions contemplated hereby or which may be customary under local law.

10.3 **Documents to be Delivered by Purchaser.** At the Closing, Purchaser shall execute, where necessary or appropriate, and deliver to Seller each and all of the following:

- a. The Purchase Price in the form provided for herein;
- b. A certificate signed by a duly authorized member or manager of Purchaser dated as of the Date of Closing, in the form of Exhibit "H" attached hereto and incorporated herein by this reference;
- c. The Assignment and Assumption Agreement; and
- d. Such other documents and items as are reasonably necessary or appropriate to effect the consummation of the transactions contemplated hereby or which may be customary under local law.

ARTICLE 11: PERFORMANCE FOLLOWING THE DATE OF CLOSING

The following covenants and agreements are to be performed after the Closing by the parties and shall continue in effect for the periods respectively indicated or, where no indication is made, until performed:

11.1 **Further Acts and Assurances.** Seller and Purchaser agree that, at any time, and from time to time, prior to the Date of Closing, upon the reasonable request of Seller or

their respective Businesses as may be required in connection with the preparation of financial information. Purchaser, they will do or cause to be done, all such further acts and things and execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered to Seller or Purchaser any and all papers, documents, instruments, agreements, deeds, assignments, transfers, assurances and conveyances as may be necessary or desirable to vest, perfect, and confirm of record in Purchaser, its successors and assigns, the title to any of the Assets or otherwise to carry out and give effect to the provisions of this Agreement. In addition, prior to the day of Closing, Seller and Purchaser will each afford to the other, and its attorneys, accountants, and other representatives access, during normal business hours, to such records relating to the Assets and their respective Businesses as may be required in connection with the preparation of financial information or the filing of tax returns and will cooperate in all reasonable respects with the other party in connection with claims and litigation asserted by or against third parties, relating to the transactions contemplated hereby.

ARTICLE 12: TERMINATION

12.1 Termination Prior to Closing. This Agreement may be terminated and the transactions contemplated herein may be abandoned after the date of this Agreement, but not later than the Closing:

- a. By Purchaser if any of the conditions provided for in Article 7 of this Agreement have not been met and have not been waived in writing by Purchaser on or before Closing;
- b. By Seller if any of the conditions provided for in Article 7 of this Agreement have not been met and have not been waived in writing by Seller on or before Closing;
- c. In the event of termination or abandonment by any party as provided in this Section 12, written notice shall forthwith be given to the other party and each party shall pay its own expenses incident to preparation for consummation of this Agreement and the transactions contemplated hereunder and neither party shall have any Liability to the other hereunder except such Liability as may arise as a result of a breach hereof.

12.2 Termination After Closing. In the event the Commission denies the License Application, the rights and obligations of both Parties under this Agreement shall be terminated and the amount paid by Purchaser shall be refunded as determined by an arbitrator, as outlined in Article 9 of this agreement.

ARTICLE 13: DEFINITIONS

For purposes of this Agreement, the following terms have the meanings specified:

"Applicable Laws" — any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, requirements, and Injunctions adopted, enacted, implemented, promulgated, issued, entered or deemed applicable by or under

the authority of any Governmental Body having jurisdiction over Seller or any of its properties or assets or by the eligible voters of any applicable jurisdiction, including but not limited the laws and regulations related to applying for and holding a liquor license and operation of a liquor store in the State of Nebraska.

"Code" — the Internal Revenue Code of 1986, as amended, or any successor law and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

"Encumbrance" — any claim, lien, pledge, charge, security interest, encumbrance, mortgage, lease, license, equitable interest, option, right of first refusal or preemptive right, condition, or other restriction of any kind.

"Governmental Body" — any:

- (i) nation, state, county, city, town, village, district, or other jurisdiction of any nature;
- (ii) federal, state, local, municipal, foreign, or other government;
- (iii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, board, commission, department, instrumentality, office or other entity, and any court or other tribunal);
- (iv) multi-national organization or body; and/or
- (v) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Injunction" — any and all writs, rulings, awards, executive orders, directives, injunctions (whether temporary, preliminary or permanent), judgments, decrees or other orders adopted, enacted, implemented, promulgated, issued, entered or deemed applicable by or under the authority of any Governmental Body.

"Knowledge" or *"knowledge"* — an individual will be deemed to have "Knowledge" or "knowledge" or a particular fact or other matter if:

- (i) such individual is actually aware of such fact or other matter; or
- (ii) a reasonably prudent individual actively involved in a company of the size and nature of Seller or Purchaser, as applicable, would reasonably be expected to discover or otherwise become aware of such fact or other matter in the normal course of conducting business. A Person (other than an individual) will be deemed to have "Knowledge" of a particular fact or other matter if any individual who is serving, or who has at any time served, as a director, officer, or manager of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or other matter.

"Liability" or *"Liabilities"* — any and all debts, liabilities and/or obligations of any type, nature or description (whether known or unknown, asserted or unasserted, secured or unsecured, absolute or contingent, accrued or unaccrued, liquidated or unliquidated and whether due or to become due), including, but not limited to, debts, liabilities and obligations arising out of Taxes or products sold and/or services provided.

(ii) such action is not required to be authorized by the board of directors of

"Material Adverse Effect" — in connection with any party, any event, change, or effect that is materially adverse, individually or in the aggregate, to the condition (financial or otherwise), properties, assets, Liabilities, revenues, income, business, operations, results of operations or prospects of such party, taken as a whole.

"Ordinary Course of Business" — an action taken by a Person will be deemed to have been taken in the "Ordinary Course of Business" only if:

(i) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person; and

(ii) such action is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature.

"Person" — any individual, corporation (including any non-profit corporation), general, limited or limited liability partnership, limited liability company, joint venture, estate, trust, association, organization, or other entity or Governmental Body.

"Proceeding" — any suit, litigation, arbitration, hearing, audit, investigation, or other action (whether civil, criminal, administrative or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

"Tax or Taxes" — (i) any and all net income, gross income, gross revenue, gross receipts, net receipts, ad valorem, franchise, profits, transfer, sales, use, social security, employment, unemployment, disability, license, withholding, payroll, privilege, excise, value-added, severance, stamp, occupation, property, customs, duties and/or other taxes, assessments, levies, fees or charges of any kind whatsoever imposed by any Governmental Body, together with any interest or penalty relating thereto, and/or (ii) the Liability for the payment of any consolidated tax, including interest or penalties relating thereto, of the type described in the immediately preceding subsection (i), including any federal, state, county, local and/or other consolidated income tax Liability including any penalty or interest thereon, as a result of being a member of, and which may be imposed upon, an affiliated group (as defined in Section 1504(a) of the Code, or other Applicable Law).

"Threatened" — a claim, Proceeding, dispute, action, or other matter will be deemed to have been "Threatened" if any demand or statement has been made in writing, or any notice has been given in writing, or if any other event has occurred, or any other circumstances exist that would lead a reasonably prudent Person to conclude that such a claim, Proceeding, dispute, action, or other matter is substantially likely to be asserted, commenced, taken or otherwise pursued in the future.

ARTICLE 14: MISCELLANEOUS

14.1 Consulting Fees. Parties have agreed to each pay McBride Clark, Inc. five thousand dollars and no/100ths (\$5,000), a combined total of ten thousand dollars and no/100ths (\$10,000), for the services John M. Clark has provided with regards to this transaction.

14.2 **Survival of Representations and Warranties.** Each of the representations, warranties, covenants, agreements, and indemnities of the parties contained in this Agreement and in any Exhibit, certificate, instrument or document delivered by or on behalf of any of the Parties pursuant to this Agreement and the transactions contemplated hereby shall survive the Closing of the transactions contemplated hereby and any investigation made by the parties or their agents either prior to or after the date hereof for the period of six (6) months commencing on the Date of Closing.

14.3 **Notices.** All notices, demands and other communications provided for hereunder shall be in writing and shall be given by personal delivery, via facsimile transmission (receipt telephonically confirmed), by nationally recognized overnight courier (prepaid), or by certified or registered first class mail, postage prepaid, return receipt requested, sent to each party, at its/their address as set forth below or at such other address or in such other manner as may be designated by such party in written notice to each of the other parties. All such notices, demands and communications shall be effective when personally delivered, one (1) business day after delivery to the overnight courier, upon telephone confirmation of facsimile transmission or upon receipt after dispatch by mail to the party to whom the same is so given or made:

If to Seller: Connot Enterprises, Inc.
5820 Elkcrest Drive
Lincoln, NE 68516
ATTN: William E. Connot

If to Purchaser: Smith Enterprises, Inc.
4900 High Street
Lincoln, NE 68506
ATTN: Dean H. Smith

14.4 **Remedies Cumulative.** Remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

14.5 **Amendments.** No purported amendment, modification, or waiver of any provision of this Agreement or any of the documents, instruments or agreements to be executed by the parties pursuant hereto shall be effective unless in a writing specifically referring to this Agreement and signed by all of the parties.

14.6 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns, but nothing in this Agreement is to be construed as an authorization or right of any party to assign its rights or delegate its duties under this Agreement without the prior written consent of the other parties hereto.

14.7 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

14.8 **Waiver.** The terms, conditions, warranties, representations, and indemnities contained in this Agreement, including the documents, instruments, and agreements executed and/or delivered by the parties pursuant hereto, may be waived only by a written instrument executed by the party waiving compliance. Any such waiver shall only be effective in the specific instance and for the specific purpose for which it was given and shall not be deemed a waiver of any other provision hereof or of the same breach or default upon any recurrence thereof. No failure on the part of a party hereto to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

14.9 **Governing Law.** This Agreement, including the Transaction Documents, shall be construed, governed by and enforced in accordance with the laws of the State of Nebraska, without giving effect to the principles of conflicts of laws thereof.

14.10 **Forum and Jurisdiction.** The parties agree that the forum for any controversy arising under this Agreement shall be in the federal and state courts of the State of Nebraska, and all parties consent to the personal jurisdiction of the federal and state courts of the State of Nebraska for such purposes.

14.11 **Time.** Time is of the essence in the performance of any and all of the terms of this Agreement.

14.12 **Further Assurances.** Each Party shall, following the Closing and without any consideration other than as provided for herein, execute such further documents and do such further acts as may be reasonably requested by the other Party to confirm or complete the transactions provided for herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorized representations as of the day, month and year first above written.

PURCHASER:

SMITH ENTERPRISES, INC.
a Nebraska Corporation

By: Dean H. Smith
Dean H. Smith, President

SELLER:

CONNOT ENTERPRISES, INC.
a Nebraska Corporation

By: William E. Connot
William E. Connot, President

LIST OF EXHIBITS

EXHIBIT "A"	Tangible Assets
EXHIBIT "B"	Inventory List
EXHIBIT "C"	Assumed Contracts
EXHIBIT "D"	Bill of Sale
EXHIBIT "E"	Assignment
EXHIBIT "F"	Assignment and Assumption Agreement
EXHIBIT "G"	Seller's Certificate
EXHIGIT "H"	Purchaser's Certificate

EXHIBIT "A"

Tangible Assets

<u>Item Number</u>	<u>Item Description</u>	<u>Value</u>
1	2 - Ruby's Cash Register Point of Sale System	\$20,311
2	Computer equipment	\$ 4,100
3	Coolers and Refrigeration	\$93,250
4	Furniture and Fixtures	\$ 1,555
5	Office Equipment	\$ 5,000
6	Signs	\$ 1,250
7	<i>DS</i> Security Equipment	\$ 5,531
8	<i>Slushy-Soda</i> Machine	\$ 1,500
9	Ice Cream Machine	\$ 2,000
10	Shelving	\$ 5,000
11	1 - Pickle Card Machine	\$ 1008 <i>DS B.C.</i>
Total		\$139,497 140505 <i>DS B.C.</i>

EXHIBIT "C"

Assumed Contracts

1. Contract between Windstream ^{DS. B.C.} and Connot Enterprises, Inc. d/b/a Jackpot Convenience Store (the "Store") for the advertising of the Store in the Yellow Pages of the phonebook.
2. Contract between Gatorade and Connot Enterprises, Inc. for supplying goods to the Store.
3. Contract between Pepsi Cola and Connot Enterprises, Inc. for supplying goods to the Store.
4. Contract between Coca Cola and Connot Enterprises, Inc. for supplying goods to the Store.
5. Lease of one (1) Maxim 8400 with storage cabinet Serial # 80373 Pickle Card Machine located at the store between American Thrift Store and Connot Enterprises, Inc. which runs through March 5, 2010 will be assigned to and assumed by Smith Enterprises, Inc.

DS.
B.C.

EXHIBIT "D"

Bill of Sale

KNOW ALL MEN BY THESE PRESENTS, that CONNOT ENTERPRISES, INC., a Nebraska corporation ("GRANTOR"), hereby GRANTS, SELLS, CONVEYS, TRANSFERS, DELIVERS and ASSIGNS to SMITH ENTERPRISES, INC., a Nebraska corporation ("GRANTEE"), all of the equipment, inventory, and other tangible property described on Exhibits "A" and "B" attached hereto and incorporated herein by this reference (the "Transferred Property"), TO HAVE AND TO HOLD, all and singular, forever as of the 26th of December, 2007 (the "CLOSING DATE"). GRANTOR hereby represents and warrants that GRANTOR is the owner of said Transferred Property, that said Transferred Property is free and clear of any and all liens, encumbrances, charges, security interests, covenants, and liabilities of any nature, and that GRANTOR has full right and authority to sell said Transferred Property. GRANTOR hereby covenants with GRANTEE that GRANTOR shall warrant and defend the Transferred Property forever against claims and demands of all persons relating to the period of time prior to the date hereof.

IN WITNESS WHEREOF, the undersigned has caused this Bill of Sale to be duly executed as of the 26th day of December 2007.

CONNOT ENTERPRISES, INC.,
a Nebraska corporation

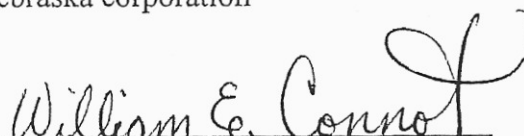
By: 
William E. Connot, President

EXHIBIT "E"

Assignment

KNOW ALL MEN BY THESE PRESENTS, that CONNOT ENTERPRISES, INC., a Nebraska corporation ("Assignor"), hereby GRANTS, SELLS, CONVEYS, TRANSFERS, DELIVERS and ASSIGNS to SMITH ENTERPRISES, INC., a Nebraska corporation ("Assignee"), all of Assignor's right, title and interest in and to the intangible assets of Seller relating to the Seller's Business (as defined in the Asset Purchase Agreement between the Assignor and Assignee dated December 3rd, 2007), including copies of all records, database information, files and documents relating to clients and employee's of the Seller's Business (the "Transferred Assets"), TO HAVE AND TO HOLD, all and singular forever as of December 26, 2007 (the "Closing Date"). Assignor hereby covenants with Assignee that Assignor shall warrant and defend the Transferred Assets, in accordance with and subject to the terms and provisions of the Asset Purchase Agreement, against claims and demands of all persons relating to the period of time prior to December 26, 2007.

IN WITNESS WHEREOF, this Assignment has been executed by the Assignor as of the Closing Date first written above.

"ASSIGNOR"

CONNOT ENTERPRISES, INC.,
a Nebraska corporation

By: William E. Connot
William E. Connot, President

EXHIBIT "F"**Assignment and Assumption Agreement**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is entered into as of the 26th day of December 2007 (the "Closing Date"), by and between CONNOT ENTERPRISES, INC., a Nebraska corporation ("Assignor"), and SMITH ENTERPRISES, INC., a Nebraska corporation ("Assignees").

Assignor hereby GRANTS, SELLS, CONVEYS, TRANSFERS, DELIVERS and ASSIGNS to Assignees, their successors and assigns, all of Assignor's right, title and interest to the contracts relating to Seller's Business listed on Exhibit "C" attached hereto and incorporated herein by this reference (the "Assumed Contracts").

Assignees hereby assume all of Assignor's obligations under the Assumed Contracts from and after the Closing Date and agree to indemnify and hold Assignor harmless from any losses, costs or damages incurred by Assignor as a result of the failure of Assignees to satisfy such assumed obligations.

IN WITNESS WHEREOF, this Assignment and Assumption Agreement has been executed by the parties hereto as of the Closing Date first written above.

CONNOT ENTERPRISES, INC.,
a Nebraska corporation

By: William E. Connot
William E. Connot, President

ASSIGNEES:

SMITH ENTERPRISES, INC.,
a Nebraska corporation

By: Dean H. Smith
Dean H. Smith, President

EXHIBIT "G"

Seller's Certificate

Pursuant to Section 10.2 of the Asset Purchase Agreement dated December 3, 2007 (the "Agreement") by and between SMITH ENTERPRISES, INC., a Nebraska corporation (the "Purchaser"), and CONNOT ENTERPRISES, INC., a Nebraska corporation, d/b/a Jackpot Convenience Store ("Seller"), the undersigned, as the duly elected and acting president of Seller, does hereby certify that as of the date of this Seller's Certificate:

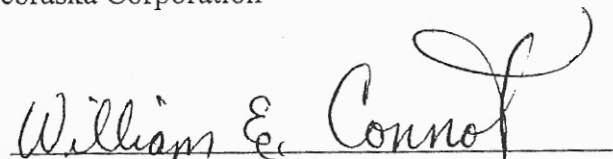
1. The representations and warranties set forth in Article 10 of the Agreement shall be true and correct in all material respects.
2. Seller shall have performed and complied with all of its covenants hereunder in all material respects.
3. For purposes of any provision contained in this Seller's Certificate, any term not otherwise defined herein shall have the meaning ascribed to it, if any, by the Asset Purchase Agreement.
4. No Proceeding is pending that has been commenced by or against Seller or that otherwise relates to or may affect the Assets or this Agreement. To the Knowledge of the Seller, (i) no such Proceeding has been Threatened, and (ii) no event has occurred or circumstance exists that may give rise to, or serve as a basis for, the commencement of any such Proceeding. Seller is not a party to, or subject to the provisions of, any Injunction which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Seller or the Purchaser, or impair the ability of Seller and Purchaser to consummate the transactions contemplated hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands effective as of the 26th day of December, 2007.

"SELLER"

Connot Enterprises, Inc.,
a Nebraska Corporation

By:



William E. Connot, President

EXHIBIT "H"
Purchaser's Certificate

RECEIVED

Pursuant to Section 10.3 of the Asset Purchase Agreement dated December 3, 2007 (the "Agreement") by and between SMITH ENTERPRISES, INC., a Nebraska corporation (the "Purchaser"), and CONNOT ENTERPRISES, INC., a Nebraska corporation d/b/a Jackpot Convenience Store ("Seller"), the undersigned, as the duly elected and acting President of Purchaser, does hereby certify that as of the date of this Purchaser's Certificate:

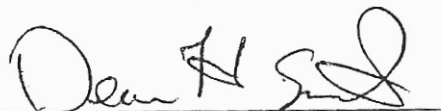
1. The representations and warranties set forth in Article 10 of the Agreement shall be true and correct in all material respects.
2. Purchaser shall have performed and complied with all of its covenants hereunder in all material respects.
3. For purposes of any provision contained in this Purchaser's Certificate, any term not otherwise defined herein shall have the meaning ascribed to it, if any, by the Asset Purchase Agreement.
4. No Proceeding is pending that has been commenced by or against Purchaser or that otherwise relates to or may affect the Assets or this Agreement. Purchaser is not a party to, or subject to the provisions of, any Injunction which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Seller or the Purchaser, or impair the ability of Seller and Purchaser to consummate the transactions contemplated hereby.

IN WITNESS WHEREOF, the undersigned has hereunto set his hands effective as of the 26th day of December, 2007.

"PURCHASER"

Smith Enterprises, Inc.,
a Nebraska corporation

By: _____



Dean H. Smith, President

RECEIVED

DEC 26 2007

LEASE AGREEMENT

NEBRASKA LIQUOR
CONTROL COMMISSION

This Lease is made and entered into this 27th day of December, 2007, by and between **501 WEST A LLC**, 182 West Lakeshore Drive, Lincoln, Nebraska 68528, hereinafter referred to as "Lessor"; and **SMITH ENTERPRISES, INC.**, a Nebraska corporation, Lincoln, Nebraska 68528, hereinafter referred to as "Lessee".

WITNESS: In consideration of the rents hereinafter reserved and agreed to be paid, and the covenants, agreements and stipulations hereinafter set out to be performed by Lessee, the Lessor does hereby agree to lease to Lessee and Lessee agrees to lease from Lessor, the premises described as follows:

Suite A (premises) consisting of a space approximately 40 feet by 50 feet or 2000 square feet plus walk-in cooler space consisting of an area 7 feet by 38 feet or 266 square feet located at 501 West A Street, Lincoln, Nebraska, a/k/a Village Square Shopping Center, to be used as a convenience store and sale of retail petroleum products.

TO HAVE AND TO HOLD the above described premises for a term of five (5) years beginning on the 27th day of December, 2007, and ending on the 31st day of December, 2012, unless the term is sooner terminated as hereinafter provided, upon the following terms and conditions:

1. **BASIC RENT:** Lessee agrees to pay to Lessor, as fixed rent for the leased premises, the sum equal to that amount which is identified on Exhibit "A", which is attached hereto and incorporated herein by this reference as the rental schedule. All monthly rent identified on Exhibit "A" shall be paid in advance, commencing on the first day of January, 2008, and on the first day of each month thereafter during the term of this Lease. Rental payments which are due under the terms of this Agreement, shall be delinquent after the fifth day of the month and

A. The Lessee shall occupy and use the premises

any delinquent payment shall, at the option of the Lessor, be assessed a late charge of five percent (5%) of any monthly rental payment which is otherwise due. All rental payments hereunder shall be paid to the Lessor, at 182 West Lakeshore Drive, Lincoln, Nebraska 68528, or at such other address as may be provided in writing by the Lessor to the Lessee.

2. USE AND RETURN OF PREMISES:

A. The Lessee shall occupy and use the premises as a convenience store and sale of retail petroleum products. Lessee covenants and agrees that it will observe and comply with all laws, orders, rules and regulations of any governmental authority relating to the leased premises, and will not permit the same to be used for illegal purposes nor permit any nuisance to be created or maintained thereon. Lessee shall, at the termination of the Lease, return said premises to the Lessor in the condition as when possession was taken, and shall be obligated to remove all trade fixtures, and return the premises to a condition satisfactory to Lessor.

B. The Lessee shall not use or permit upon the premises, anything that will invalidate any policy of insurance now or hereafter carried on the building of which the premises are a part or that will increase the rate of insurance on said building. The Lessee shall not use or permit upon said premises anything that may be dangerous to life or limb and shall not in any manner deface or injure the building. Lessee shall not permit any objectionable noise or odor to escape or be admitted from the premises or do anything or permit anything to be done upon said premises which might result in a nuisance or tend to disturb any tenant in said building or the occupants of neighboring properties.

C. Lessee shall have the right to place partitions and fixtures and make improvements or other alterations to the interior of the premises at its own expense. The Lessee, subject to written approval of the Lessor, shall further have the right to make improvements in the gas

premises. Lessee shall also obtain the written

pumps, underground storage tanks and canopy, provided that all improvements made to the gas pumps, underground storage and other related items are in full and complete compliance with all government regulations to and including the required permits and inspections to be performed by local, state, and federal authorities. Before any additional improvements are performed by local, state, and federal authorities. Before any additional improvements are performed to the premises, Lessee shall also obtain the written consent of the Lessor for the proposed work.

D. Lessee agrees to save Lessor harmless on account of any claim or lien of mechanics, material, or other, in connection with any alterations, additions or improvements of or to the leased premises to which the Lessor may have given its consent. Lessee shall furnish such waiver or waivers of liens and appropriate affidavits from any general contractors or subcontractors as Lessor may require before Lessee starts any such work.

3. PARKING AND COMMON AREAS.

A. Lessor covenants that such common areas on the shopping center site shall be available for the non-exclusive use of the Lessee during the full term of this Lease or any extensions of the term hereof, provided that the condemnation or other taking by any public authority of any or all of such common areas shall not constitute a violation of this provision.

B. The Lessor shall keep or cause the common areas to be kept in a reasonable state of repair.

C. Any common areas actually occupied or used by the Lessee, for the purpose of parking, and utilization by customers, shall be kept clean and free of debris and other trash which may be left or caused by customers utilizing the Lessee's business. Lessee is responsible for removal of

snow and ice that is directly in front of the Leased Premise's sidewalk.

D. The cost of operating and maintaining the common areas actually used or available for use by Lessee and the employees, agents and customers of the Lessee is the responsibility of the Lessor.

4. **UTILITIES:** All heat, electric, water, garbage, sewage, gas or special fees, metered charges or utility charges of any nature used on the leased premises by the Lessee shall be paid for by Lessee. Water charges shall be paid by Lessee by paying to Lessor \$100.00 per month. At the end of each calendar year, the actual annual water cost will be calculated by Lessor and compared to the amount paid by the Lessee to the Lessor. If the actual cost is greater than the amount paid to the Lessor by the Lessee, then the Lessor will issue a refund to the Lessee within thirty (30) days. If the actual cost is less than the amount paid to the Lessor by the Lessee, then the Lessee will pay the Lessor the difference within thirty (30) days.

5. **REPAIRS:**

A. Lessor agrees to make all necessary repairs to the structural portions of the building, including the roof, exterior walls, exterior doors and exterior windows, to keep the property (other than the interior of the building) in a clean, neat and attractive condition. Lessee agrees to make all routine non-structural repairs to the leased premises including plumbing, electrical, mechanical, air conditioning and heating and repairs necessary for the maintenance and operation of the gas pumps, monitoring systems, underground storage tanks, and overhead canopy.

B. The Lessor shall not be liable for any damage either to person or property sustained by the Lessee, due to any act of the Lease. If any such damage shall be caused by the act or neglect of the Lessee, the Lessor may, at it's option, repair such damage whether caused to the building or to the leased premises thereof and the Lessee

shall thereupon reimburse the Lessor the total cost of such damage both to the building and to the lease premises. The Lessee further agrees that all personal property, and trade fixtures owned and possessed by the Lessee located on the premises shall be at the risk of the Lessee and that the Lessor shall not be liable for damage thereto or theft thereof. The Lessor shall not be liable for the stoppage or interruption of water, light or heat caused by riot, strike, accident or by any cause over which the Lessor has no control.

C. Any provisions herein to the contrary notwithstanding, Lessor and Lessee mutually agree that in respect to any loss which is covered by insurance then being carried by them respectively, the one carrying such insurance and suffering said loss, releases the other of and from any and all claims with respect to such loss, to the extent reimbursed by such insurance.

6. **LIABILITY INSURANCE:** Lessee shall hold Lessor harmless and Lessor shall not be responsible for and is hereby expressly relieved from, any and all liability by reason of any injury, loss or damage to any person or property in or about the premises, however caused, and Lessee, at it's own expense, shall carry public liability and property damage insurance for this purpose in the amount of One Million Dollars (\$1,000,000.00) for injuries to persons in any one accident; and Five Hundred Thousand Dollars (\$500,000.00) for damage to property, made by or on behalf of any person or persons arising from, related to, or connected with the conduct and operation of Lessee's business in the premises. Lessee shall furnish to Lessor certificates evidencing that such insurance is in effect continuously during the term of this Lease and such policies shall provide that they may not be cancelled in less than ten (10) days written notice to Lessor. Lessor shall be named as an additional insured under said policy and so identified in the certificate of insurance.

7. **HAZARD INSURANCE:** Lessee shall carry fire and extended coverage insurance and standard policies in an amount equal to the full and insurable value of the Lessee's trade fixtures and other personal property. Lessor shall maintain fire and extended coverage insurance

throughout the term of this Lease in an amount equal to full and insurable value of the building and its remaining improvements. If the property is partially destroyed or damaged by fire or other cause and such damage can be repaired within a period of ninety (90) days, and insurance proceeds are available to make repairs, then in such event such damage shall be repaired by and at Lessor's expense as soon as reasonably possible and the rent for such period shall abate in the proportion that the premises are unfit for occupancy. If the premises are totally or extensively damaged by fire or other cause so as to render the premises wholly untenable, or unable to be repaired within a period of ninety (90) days or insurance proceeds are not available to make the repairs, then Lessor and Lessee shall each have the option as hereinafter provided to either cancel this Lease or if neither wishes to cancel this Lease, to continue the Lease, in which case, Lessor shall promptly rebuild and restore the premises (but not Lessee's additional fixtures or personal property) to their original condition to the extent reasonably possible. Lessor shall give Lessee written notice within thirty (30) days from the date of casualty of the amount of time necessary to restore the premises and if such time is longer than ninety (90) days or if the premises are wholly untenable or insurance proceeds are unavailable, whether Lessor desires to continue the Lease. If Lessor elects to continue the Lease, Lessee shall have thirty (30) days after receipt of Lessor's notice to elect to terminate or continue the Lease and provide notice to Lessor of such election. In the event Lessor shall rebuild or restore the premises in accordance herewith, the rent shall abate for the period commencing on the date of casualty until such time as the premises are ready for occupancy. Lessee shall furnish to Lessor a certificate evidencing that such insurance is in effect continuously during the term of the Lease.

8. **CONDEMNATION:** If the whole or any part of the premises shall be taken by public authority under the power of eminent domain, then the term of this Lease shall cease on that portion of the premises so taken, from the date of possession, and the rent shall thereafter be proportionately reduced, with a proportionate refund by Lessor to Lessee of such rent as may have been paid by Lessee in advance. If the portion of the premises taken is such that it prevents the practical use of the premises for Lessee's purposes, in Lessee's reasonable discretion, then Lessee shall have the right either (a) to terminate this

except that Lessee shall be entitled to share in any Lease by giving written notice of such termination to Lessor not later than thirty (30) days after the taking, or (b) to continue in the area of the premises taken. In the event of any taking or condemnation of the premises, in whole or in part, the entire resulting award of damages shall be the exclusive property of Lessor, including all damages awarded as compensation for diminution in value to the leasehold, without any deduction for the value of any unexpired term of this Lease, or for any other estate or interest in the premises now or hereafter vested in Lessee except that Lessee shall be entitled to share in any condemnation award to the extent of Lessee's damages (a) for lost trade fixtures, if any, and (b) for moving expenses.

9. **DEFAULT OR BREACH:** Each of the following events shall constitute a default or a breach of this Lease by Lessee.

- A. If Lessee fails to pay Lessor any rent or additional rent when due hereunder;
- B. If Lessee vacates or abandons the premises;
- C. If Lessee files a petition in bankruptcy or insolvency for reorganization under any bankruptcy act, or voluntarily takes advantage of any such act by answer or otherwise, or makes an assignment of the benefit of creditors;
- D. If involuntary proceedings under any bankruptcy or insolvency act shall be instituted against Lessee, or if receiver or trustee shall be appointed of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution of appointment; or
- E. If Lessee fails to perform or comply with any other term or condition of this Lease and if such nonperformance shall continue for a period of thirty (30) days after notice thereof by Lessor to Lessee, provided that such thirty (30) day period shall be extended as reasonably required to cure such default provided that Lessee has within such thirty (30) day period

commenced such cure and thereafter diligently prosecutes such cure to completion.

10. **EFFECT OF DEFAULT:** In the event of any default or breach by Lessee hereunder, in addition to any other right or remedy available to Lessor, either at law or in equity, Lessor may exert any one or more of the following rights:

A. Lessor may re-enter the premises immediately and remove the property and personnel of Lessee, and shall have the right, but not the obligation, to store such property in a public warehouse or at a place selected by Lessor, at the risk and expense of Lessee.

B. Lessor may retake the premises and may terminate this Lease by giving written notice of termination to Lessee. Without such notice, Lessor's retaking will not terminate the Lease. On termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises and the difference between the rent due for the balance of the lease term, as though the Lease had not been terminated, and the reasonable rental value of the premises, which sum shall be immediately due Lessor from the Lessee.

C. Lessor may relet the premises or any part thereof for any term without terminating this Lease, at such rent and on such terms as it may choose. Lessor may make repairs and reasonable alterations (for purposes of reletting) to the premises. In addition to Lessee's liability to Lessor for breach of this Lease, Lessee shall be liable for all expenses of the reletting, for any repairs and reasonable alterations (for purposes of reletting) made, and for the rent due for the balance of the lease term, which sum shall be immediately due Lessor from Lessee. The amount due Lessor will be reduced by the net rent received by Lessor during the remaining term of this Lease from reletting the premises or any part thereof. If during the remaining term of this Lease Lessor receives more than the amount due Lessor under this sub-paragraph, the Lessor

shall pay such excess to Lessee, but only to the extent Lessee has actually made payment pursuant to this sub-paragraph. Lessor may pursue any other remedy now or hereafter available to Lessor under applicable law. No remedy or election under this Lease shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or equity.

D. The expiration or termination of this Lease shall not relieve either party from liability under any indemnity provisions of this Lease.

11. **SURRENDER - HOLDING OVER:** Lessee shall, upon termination of this Lease, whether by lapse of time or otherwise, peaceably and promptly surrender the premises to Lessor. If Lessee remains in possession after the termination of this Lease, without Lessor's written consent, Lessee shall be deemed to be occupying the premises only as a Lessee from month to month, subject to all the terms, conditions, and agreements of this Lease. In the event that Lessor gives written notice to Lessee prior to the expiration of the lease term that Lessor will require or expect Lessee's vacation of the premises at the expiration of the lease term, Lessee shall have no right to remain in possession after the termination of this Lease and shall peaceably surrender the premises on or before the expiration of the lease term.

12. **ENTRY BY LESSOR:** Lessor, its agents, employees and contractors may enter the premises at any time in response to an emergency, and at reasonable hours to:

- A. Inspect the premises;
- B. ~~Exhibit the same to prospective purchasers,~~ lenders or Lessees;
- C. Determine whether Lessee is complying with all its obligations in this Lease;
- D. Make repairs required of Lessor under the terms of this Lease or repairs to any adjoining space or utility services or make repairs, alterations or improvements to any other portion of the building; however, all such work will be

done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible.

13. **RENEWAL OPTION:** Lessee shall have the option to renew this Lease for two additional consecutive five (5) year periods beginning with the termination date of the original term of this Lease, or the then existing extension. The Lease shall continue upon the same terms and conditions as the original Lease, however, the rental payments to be paid monthly, during the option term, shall be agreed upon by Lessee and Lessor. In addition thereto, in order for the Lessee to exercise it's option to extend the term of the Lease, any extension shall be subject to the following provision:

A. Lessee shall not be in default in the payment of rent, or any other covenant contained in the Lease.

B. Lessee shall provide written notice to Lessor of its election to renew this Lease for each successive option term, not less than four (4) months prior to the commencement date of the new option term.

14. **SUBORDINATION AND ATTORNMENT:** Lessor reserves the right to place liens and encumbrances on the premises superior in lien and effect to this Lease. This Lease and all rights of Lessee hereunder, shall, at the option of Lessor, be subject and subordinate to any liens and encumbrances now or hereafter imposed by Lessor upon the premises or the building or any part hereof, and Lessee agrees to execute, acknowledge, and deliver to Lessor, upon request, any and all instruments that may be necessary or proper to subordinate this Lease and all rights herein to any such lien or encumbrance as may be required by Lessor; provided that the holder of such lien or encumbrance shall agree not to disturb the tenancy of Lessee unless Lessee is in default beyond applicable cure periods.

In the event any proceedings are brought for the foreclosure of any mortgage or deed of trust on the premises, Lessee will attorn to the purchaser at the foreclosure sale and recognize such purchaser as the Lessor under this Lease. The purchaser, by virtue of such foreclosure, shall be deemed to have assumed as substitute

Lessee agrees to execute and deliver such further
Lessor, the terms and conditions of this Lease until the resale or other disposition of its interest. Such assumption, however, shall not be deemed an acknowledgement by the purchaser of the validity of any then existing claims of Lessee against the prior Lessor. Lessor shall confirm the non-disturbance provision of this paragraph by obtaining a non-disturbance agreement from any mortgagee or deed of trust holder, if any, in a form reasonably satisfactory to Lessee.

Lessee agrees to execute and deliver such further assurances and other documents, including a new lease upon the same terms and conditions contained herein, confirming the foregoing, as such purchaser may reasonably request.

15. MISCELLANEOUS:

A. Binding on Assigns. All terms, conditions, and agreements of this Lease shall be binding upon apply, and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

B. Amendment in Writing. This Lease may be amended only by subsequent written agreement.

C. Waive - None. The failure of either party to insist upon strict performance of any of the terms, conditions and agreements of this Lease shall not be deemed a waiver of any of its rights or remedies hereunder and shall not be deemed a waiver of any subsequent breach or default of any of such terms, conditions, and agreements. The doing of anything, by either party, which either party is not obligated to do hereunder shall not impose any future obligation on either party nor otherwise amend any provisions of this Lease.

D. No Surrender. No surrender of the premise by Lessee shall be affected by Lessor's acceptance of the keys to the premises or of the rent due hereunder, or by any other means whatsoever, without Lessor's written acknowledgment that such acceptance constitutes a surrender.

E. Assignment or Sub-lease. This Lease may not be assigned or transferred to a third party by Lessee, or any portion of the premises sub-let by Lessee without the express prior written permission of the Lessor.

F. Captions. The captions of the various paragraphs in this Lease are for convenience only and do not define, limit, describe, or construe the contents of such paragraphs.

G. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Nebraska.

H. Attorneys' Fees. If any party brings an action to enforce or interpret or with respect to any portion of this Lease, the prevailing party in such suit shall be entitled to recover from the other party all costs of suit, including, but not limited to attorneys' fees, costs and disbursements.

I. Time of the Essence. Time is of the essence in this Lease.

J. Incorporation. This Lease contains all agreements between the parties with respect to the matters covered by this Lease and no other prior or contemporaneous agreement or understanding with respect thereto shall be effective.

K. Counterparts. This Lease may be executed in counterparts and executed original counterpart copies, when taken together, shall constitute one complete original Lease.

16. OTHER PROVISIONS

A. Estoppel Certificates. From time to time, within ten (10) days of a written request by either party, the other party shall execute and deliver to the requesting party for the benefit of the requesting party or any third party a statement setting forth such information

Lessor shall not be deemed to be in breach if

regarding this Lease as the requesting party shall reasonably request.

B. Breach by Lessor. Lessor shall not be deemed in breach of this Lease unless Lessor fails within thirty (30) days to perform an obligation required to be performed by Lessor after written notice of such breach by Lessee; provided, however, that if more than thirty (30) days are required to perform such obligation Lessor shall not be deemed to be in breach if Lessor commences the obligation within thirty (30) days and diligently pursues such obligation to completion.

B. Limitation on Damages. NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THIS LEASE, EXCEPT AS PROVIDED IN THIS SECTION, IN NO EVENT SHALL, LESSEE OR LESSOR BE LIABLE TO EACH OTHER WITH RESPECT TO THIS LEASE OR LESSEE'S OCCUPANCY OF THE PREMISES UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY LOST PROFITS, EXEMPLARY, PUNITIVE, SPECIAL INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES (COLLECTIVELY, "OTHER DAMAGES"), EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES REGARDLESS OF WHETHER OR NOT ANY PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

D. Nonliability. Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Lease, that there shall be absolutely no personal liability on the part of any partner, members, or officers of Lessor, its successors or assigns with respect to any of the terms, covenants and conditions of this Lease, and any liability on the part of the Lessor shall be limited solely to the interest of the Lessor in the Premises without exceptions whatever.

E. Landlord Consent. No consent or approval required by Lessor under this Lease shall be unreasonably withheld, conditioned or delayed.

to lease of Lessee to Lessor.

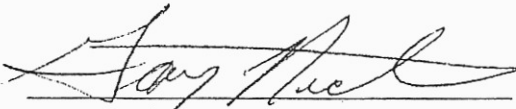
F. Lessee Signage. Lessee shall be entitled at Lessee's expense, to install interior and exterior signage (including exterior directional signage), subject to and with Lessor's prior written approval, zoning regulations, applicable municipal rules and any restrictions or record.

Until this Lease is executed on behalf of all parties hereto, it shall be construed as an offer to lease of Lessee to Lessor.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

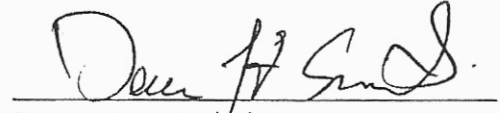
501 WEST A LLC

BY:


Gary Nichelson

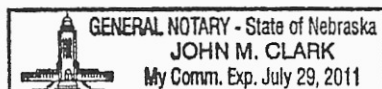
SMITH ENTERPRISES, INC.

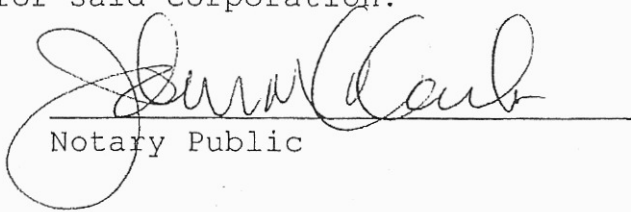
BY:


Dean H. Smith

STATE OF NEBRASKA)
 : SS.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this 24th day of December, 2007, by **GARY NICHELSON**, President of **501 WEST A LLC**, a Nebraska corporation, as the voluntary act and deed for said corporation.




Notary Public

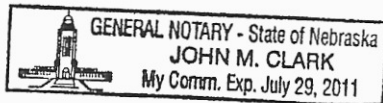
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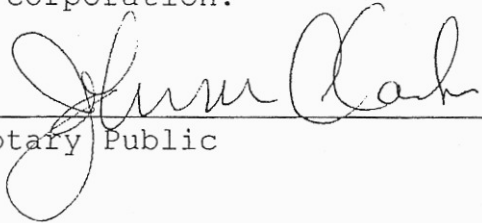
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STATE OF NEBRASKA)
 : SS.
COUNTY OF LANCASTER)

NEBRASKA LIQUOR
CONTROL COMMISSION

The foregoing instrument was acknowledged before me
this 21st day of December, 2007, by **Dean H. Smith**, of **SMITH
ENTERPRISES, INC.**, a Nebraska corporation, as their
voluntary act and deed for said corporation.





Notary Public